

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 2/7/2012	(3) CONTACT/PHONE Dale Ramey, Transportation Project Manager (805) 781-5252	
(4) SUBJECT Submittal of a Contract Change Order No. 5 and Supplemental Nos. 1 and 2 to the agreement with Granite Construction, Inc. for the Willow Road Extension Phase II Project, Nipomo, Contract No. 300129 and 300142, in the amount of \$221,053.90.			
(5) RECOMMENDED ACTION It is our recommendation that your Honorable Board: <ol style="list-style-type: none"> 1. Approve Contract Change Order No. 5 and Supplementals, to the agreement with Granite Construction Inc. (Contractor) for the Willow Road Extension Phase II Project, Nipomo, CA, Contract No. 300129 and 300142, in the amount of \$221,053.90; and 2. Direct the Director of Public Works, or his designee, to execute and process. 			
(6) FUNDING SOURCE(S) Road Fund - Willow Road WBS 300129 and 300142	(7) CURRENT YEAR FINANCIAL IMPACT \$167,988.89	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. _____) <input type="checkbox"/> Board Business (Time Est. _____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A		(12) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5th's Vote Required <input checked="" type="checkbox"/> N/A	
(13) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(14) W-9 <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	
(15) LOCATION MAP Attached	(16) BUSINESS IMPACT STATEMENT? No	(17) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date 12/14/10	
(18) ADMINISTRATIVE OFFICE REVIEW 			
(19) SUPERVISOR DISTRICT(S) District 4 -			

Reference: 12FEB07-C-9

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works

Dale Ramey, Transportation Project Manager

VIA: Dave Flynn, Deputy Director of Public Works

DATE: 2/7/2012

SUBJECT: Submittal of a Contract Change Order No. 5 and Supplemental Nos. 1 and 2 to the agreement with Granite Construction, Inc. for the Willow Road Extension Phase II Project, Nipomo, Contract No. 300129 and 300142, in the amount of \$221,053.90.

RECOMMENDATION

It is our recommendation that your Honorable Board:

1. Approve Contract Change Order No. 5 and Supplementals, to the agreement with Granite Construction Inc. (Contractor) for the Willow Road Extension Phase II Project, Nipomo, CA, Contract No. 300129 and 300142, in the amount of \$221,053.90; and
2. Direct the Director of Public Works, or his designee, to execute and process.

DISCUSSION

Your Board awarded a contract to Granite Construction, Inc. on December 14, 2010, in the amount of \$16,302,548.36 with a contingency budget of \$1,630,245 for the Phase II Willow Road Extension project. Included in the Board contract award action was a resolution addressing your Board's construction Contract Change Order (CCO) policy. The policy states that your Board must authorize any construction change order exceeding \$150,000.00. A copy of the resolution is attached as Exhibit "A" We are now requesting approval for a construction change order that exceeds \$150,000.00, after the fact, for work already completed.

The construction contract included the construction of a median detour to facilitate the construction of the new Highway 101 interchange bridges. Prior to the median detour construction, it was discovered that the limits of the detour and the location of the temporary concrete barriers, shown on the approved Traffic Handling Plan, needed to be extended and relocated. Based on the revised Traffic Handling Plan, CCO No. 5 was approved in the amount of \$78,230.01 and directed the contractor to perform the work needed to make the construction changes.

The median was constructed per the revised Traffic Handling Plan, however, over the summer it was discovered that drainage ponding would occur in the high speed travel lane of the detour, during rain events, which would create a serious risk to the motoring public.

To address this serious safety concern, the following events occurred:

- A plan was developed and approved by Caltrans, to correct the ponding problems which were estimated to cost \$40,000. CCO 5.1 was approved by the County and Granite was directed to do the work last November.
- During the corrective work that was done, our Resident Engineer (MNS Engineers) discovered that the problem was greater than the original estimate and that additional paving was required to correct the detour. The work had to be completed immediately as rain was in the forecast within the week. Delaying the work would have meant: 1) increased cost due to delay of the contractor and additional expense in setting up the construction operation for another date; and 2) the work would not have been completed before the rains and highway safety would have been at risk. The Resident Engineer determined that the work needed to be done immediately and directed the contractor (Granite) to proceed.
- The additional work was paid under CCO 5. In order to memorialize the extra cost and direction given to the Contractor, Public Work's staff is presenting Supplemental CCO 5.2 for your approval in the amount of \$127,698.89. This amount plus the \$40,000 amount in Supplemental CCO 5.1 cover the Contractor's cost of \$167,698.89 to correct the drainage problem in the median detour.

The total cost of CCO 5 and Supplements is \$221,053.90.

The final result of the median detour extra work is positive. The median now provides a safe path through the construction site. Staff will review the corrections with the Design Consultant, Rajappan & Meyer, and have already reviewed the timing to decision making with MNS staff and Public Works staff.

OTHER AGENCY INVOLVEMENT/IMPACT

Caltrans was consulted and approved Change Order Nos. 5, 5.1, and 5.2.

FINANCIAL CONSIDERATIONS

There is sufficient money in the contingency budget to cover the cost of CCO 5. The project Budget includes contingency monies to manage change orders of up to \$815,127.42, plus an additional \$815,127.42 for Traffic Control and Supplemental Work for a total amount of \$1,630,245.00. This change order will be processed under the contingency fund and will have a balance (after accounting for this change order) of approximately \$486,290.00 for any remaining change orders in addition to the \$815,127.42 for Traffic Control and Supplemental Work.

To date, there have been twenty nine (29) change orders with a total amount of approximately \$329,000.00 which includes the costs on Change Order No. 5 and Supplements before you today. Public Works is anticipating another significant CCO for the project at the end of the work for a \$400,000.00 cost increase to cover the rising cost in asphalt oil for the pavement, as allowed under board approved contract provisions.

The project is funded from the South County Road Improvement Fee Account, Prop 1B Funds, County Road Fees, and State Transportation Improvement Program.

RESULTS

Approval of the recommended action will result in the continued progress of the construction related activities for this construction contract, which will contribute to the efficient delivery and continuity of this construction project.

File: 300129 & 300142

c: MNS Engineers
Granite Construction Company
Rajappan & Meyer

Reference: 12FEB07-C-9

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ATTACHMENTS

1. Vicinity Map
2. Exhibit A - Change Order Policy
3. Exhibit B - Change Order No. 5, 5.1 and 5.2